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FISCAL IMPACT STATEMENT

LS 7422

BILL NUMBER: SB 533

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: Design-Build Public Works Projects.

FIRST AUTHOR: Sen. Mishler

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires a public agency to obtain funding for a public project before submitting a request for proposals to potential design-builders.

It requires a design criteria developer to ensure that the cost associated with the design criteria package does not exceed by more than 10% the budget for the public project.

The bill establishes the contents of a qualitative proposal submitted in response to a request for proposals.

It also provides that a public agency may not require an offeror to appear in person more than three times to provide clarification for a proposal.

The bill sets forth a formula to calculate the composite written score determined by the technical review committee in reviewing qualitative proposals.

Effective Date: July 1, 2011.

Explanation of State Expenditures: The bill will have indeterminate fiscal impact on the design-build process by requiring public agencies to obtain funding for the approximate budget of the public project. If projects are slowed, costs could be impacted.

Background: Under current law, if a public agency authorizes a design-build project, the agency must post a notice of request for qualifications to potential design-builders. For design-build contracts, the public

agency must appoint a technical review committee to qualify potential design-builders regardless of price or cost, and rate and score qualitative proposals. Once the technical review committee has completed its work and selected at least three design-builders, the public agency issues a request for proposal to the qualified bidders. A design criteria developer prepares a design criteria package based on the scope and level of detail the public agency requires. Each request for proposal response must contain a design criteria package and be submitted in two parts, a qualitative proposal and a price proposal. A public agency may provide a stipend to an unsuccessful bidder to encourage competition.

For public agencies, the most significant change is the requirement that the request for proposal issued to qualified bidders, could not be issued until the agency has obtained the funding for the project budget. This could slow the design-build process, especially with the referendum process for local civil taxing units and school corporations.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: State agencies (not the Indiana Department of Transportation), educational institutions, bodies corporate and politic.

Local Agencies Affected: Civil units, bodies corporate and politic, school corporations.

Information Sources:

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